



**Department of Information Resources
TexasOnline 2.0
Request for Offer DIR-TXO-001**

Addendum #2

This Addendum to Request for Offer DIR-TXO-001 contains the Mandatory Pre-Bid Vendor Conference and Webcast attendee list, Official Answers to Vendor Questions answered verbally during the Mandatory Pre-Bid Vendor Conference in accordance with Sections 4.3.2 and 4.3.3 of the RFO, and an additional appendix to the RFO: Appendix F.11, Customer Surveys as listed in Appendix F – Reference Material.

• **Mandatory Pre-Bid Vendor Conference and Webcast Attendee List**

PHYSICALLY PRESENT ATTENDEES				
First Name	Last Name	Organization	Email	HUB
Andy	Slack	Accenture	andy.slack@accenture.com	
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First Name	Last Name	Organization	Email	HUB
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WEBCAST ATTENDEES			
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- **Mandatory Pre-Bid Vendor Conference Presentation Slides, Audio and Transcript**

The Presentation slides and transcript from the Mandatory Pre-Bid Vendor Conference conducted on October 30, 2008 may be found at:

<http://www1.dir.state.tx.us/tol/rfo/presentations.htm>

- **Questions and Answers**

1. As the new service provider of the TexasOnline Infrastructure, will IBM be excluded from bidding as prime or subcontractor on TexasOnline 2.0?

Answer: As stated in Section 2.6.4.1, IBM is scheduled to transition-in as service provider of the TexasOnline infrastructure on or before June, 2009. IBM will not be excluded from bidding on TexasOnline 2.0

2. Following the break-even point, and upon transfer of ownership of infrastructure to the state, has the state absorbed the costs for equipment maintenance? Or, has the current vendor continued to absorb any maintenance costs?

Answer: After the infrastructure transition to a managed service under the Data Center Services Agreement, all maintenance costs are included in the managed services. At this time, pursuant to Section 5 of the Second Renewal Agreement, maintenance costs remain with BearingPoint and billed to the TexasOnline operating budget.



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3. Does the current provider subcontract the help-desk function or is it internal to their operations?

Answer: The current help desk function is subcontracted to another vendor.

4. Based upon RFO Section 3.6.8, we understand that the Alternate Financial Model is a required component of the bid. There are several possible scenarios for the Alternate Financial Model – 1.) To maintain the current State Share of Total Revenue and the State Share of the Net Revenue to provide non-revenue generating and low priority services. 2.) To alter the current Share of Total Revenue and Share of Net Revenue and provide non-revenue generating and low priority services and 3.) Completely alter the entire structure of the current financial model. Please provide instructions for what forms (appendices E.1 through E.8) must be submitted for each of these three scenarios.

Answer: The examples in RFO Section 3.6.8, paragraph two, describe how the Vendor may propose an Alternative Financial Model for TexasOnline 2.0. Vendors may choose any, all, or some other approach to their Alternative Financial Model(s).

Vendor may wish to propose an alternative approach for a portion of its financial model (e.g., E.3 only) or for its entire model (e.g., E.3-E.7). The instructions for completing Appendix E.8 are in the Instructions tab within the worksheet and in Section 3.6.8.

5. What is the current cash flow that the State realizes from the current contract?

Answer: The monthly reports in Appendix F.1 show the State's share of revenue.

6. P.51 states that customers can purchase technology solutions through the DIR ICT Cooperative Contracts. My company provides Software-as-a-service solutions to many TX state & local govts. 2 questions 1) May those customers then contract w/DIR/Vendor for Prof services for the implementation 2) is the cost of the SAAS solution outside the scope of the RFO pricing/cost models?

Answer: Software-as-a-service is an acceptable method of delivering the third-party solutions described in RFO Section 2.7.3.5. If additional information is required, please clarify your question and submit it to the point of contact for this RFO.

7. My company is a DIR registered MBE/DBE that would like to partner with a larger company on a response to this RFP. Will a list of attendees be published with their MBE/DBE status and contact information?

Answer: A list of attendees and the information they provided is contained in this Addendum 2.

8. The RFO states that there are 32 non-revenue generating services. Please provide a comprehensive list.



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Answer: A list of the 32 non-revenue generating services and applications can be found in the RFO Appendix F.7 Existing Applications and Operations Information. This was the current list as of May, 2008. Since then, the Texas Governor's Restoration Fund has been added to the portal and a TexasOnline facelift was completed. All of these non-revenue generating applications and services are included in the 152 applications and 842 services that are part of the TexasOnline portal.

9. The state cites "13,200 calls and 1,570 emails per month". Can the state provide additional information regarding the types of contact or categorize the inquiries it receives?

Answer: Additional information regarding the types of contact and categorization of inquiries may be found in Appendix F.7 Existing Applications and Operations Information.

10. For the Jan.1, 2010 go live will all 152 applications be completed?

Answer: All 152 applications are in production and are included in implementation.

11. Please provide the monthly call volume broken down by half hour increments. What is the average handle time for these calls?

Answer: Call center statistics are found in Appendix F.7 - Operations Report.

12. Many of the sections in 2.7.2 require that some function of governance be provided for in the Financial Plan. (Example:The CCB will be funded from the TexasOnline operational budget. The Vendor must provide for the CCB in its financial plan." - 2.7.2.5, second paragraph) There is no corresponding line item on the financial plan templates. How does DIR want these governance-related costs itemized in the Financial Plans?

Answer: In its response, the Vendor should include these costs in "Operations" line item of the labor costs section of the worksheet.

13. Regarding the third-party governance personnel—the draft RFO indicated that the vendor would be responsible for the costs associated with these personnel. Is that the state's intent here?

Answer: It is anticipated that these costs will be charged to the TexasOnline operational budget. In its response, the Vendor should budget at an average level of two high high-level professional information technology FTEs in their Financial Plan in "Operations" line item of the labor costs section of the worksheet.

14. How much has the state and BP (BearingPoint) recognized in revenue under the current contract.



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Answer: From the inception through the end of Fiscal Year 2008, the State has received \$39,716,564. This amount includes \$13,724,085 as its 50% Share of Net Revenue and \$25,992,479 as its 20% Share of Total Revenue.

BearingPoint achieved Breakeven on the portal in April 2006 and has received \$13,724,085 as its 50% Share of Net Revenue. The amount BearingPoint has recognized in revenue is not known to DIR.

15. How will the 33% be enforced on the new contract?

Answer: The 33% for HUB participation is a goal, not a requirement. Please refer to instructions on the HUB Subcontracting Plan contained in RFO Section 4.4.

16. What % of gross \$ is BearingPoint giving to the state?

Answer: The contract does not provide for a "% of gross". The amount currently contributed to the State is 20% of Total Revenue and 50% of Net Revenue, as defined in Appendix A of the RFO.

17. Given the recent news about the IBM contract, is DIR less likely to make a major change and introduce risk by changing the TexasOnline Vendor?

Answer: There are no changes to the approach identified in the RFO. DIR is proceeding as specified in the RFO.

18. In light of recent events surrounding the Data Center services contract, will DIR entertain alternative solutions for the provision of TexasOnline infrastructure?

Answer: There are no changes to the approach identified in the RFO. DIR is proceeding as specified in the RFO.

19. This section includes a non-exhaustive list of the Mandatory Requirements from the RFO. Will the State provide a complete list of Mandatory Requirements or otherwise provide a definition of the RFO's Mandatory Requirements?

Answer: This is clarified in Addendum 1 to the RFO.

20. Does Service Provider (SP) in F.5(b) refer to the portal Vendor or Team Texas Vendor?

Answer: This reference is to the Team for Texas vendor.

21. Under the current business model, are services revenues included in the revenue-share?

Answer: To compute the 20% or 50% revenue share, the vendor needs to start with total revenue. Total revenue is comprised of transaction revenue and service revenue. Therefore, service revenue is included in the revenue share computation.



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22. Is there a requirement in the base case financial model to include breakeven or can the Vendor assume no cost of breakeven in the base case? For example: Breakeven = \$0

Answer: DIR does not understand this question. Please clarify your question and submit it to the point of contact for this RFO.

23. Is the Vendor expected to include the items listed in this section in its draft marketing plan? Will the state make additional customer usage data available for review and analysis in order to allow potential vendors to understand the existing customer and therefore develop characteristics for customers that have never used TexasOnline?

Answer: The Vendor is expected to include the items listed in this section in its draft marketing plan. Customer surveys from Fiscal Year 2007 and 2008 are provided in Appendix F.11 and may be found at:
<http://www1.dir.state.tx.us/tol/rfo/appendices.htm>.

24. There are only 3 tabs in Appendix E.6. Does this mean the Vendor should only include 3 opportunities for distinction in its response? Or can the Vendor include more and what is the process to do so?

Answer: There is no limit to the number of opportunities for distinction. Duplicate the worksheets as many times as necessary.

25. No. 1 instructs the Vendor to state its acceptance of the RFO terms and conditions, including the Standard Terms and Conditions in Appendix B, and other RFO requirements, or specifically note exceptions. If Vendors would like to include exceptions to requirements outside of Appendix B, should they be included in the vendor's response to Section 4.7.3.9, Exceptions to Terms and Conditions? If not, where should they be included?

Answer: Exceptions to requirements outside of Appendix B should be included in Vendor's response to Section 4.7.3.9.

26. Will there be additional question and answer periods, especially if the RFO is amended after the November 6 deadline to submit questions? We ask that the state provide multiple written question and answer periods as part of the RFP timeline. We would like to ask questions for as long as the Resource Room is open through mid-December.

Answer: DIR will provide a second question and answer round as described in the RFO Addendum 1, RFO Section 4.3.1, RFO Schedule.

End of Addendum #2